

AMENDED IN SENATE MARCH 26, 2014

SENATE BILL

No. 1069

Introduced by Senator Torres

February 18, 2014

~~An act to amend Section 94920 of the Education Code, relating to private postsecondary institutions. An act to amend Section 94923 of the Education Code, relating to private postsecondary education.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1069, as amended, Torres. ~~Private postsecondary education: refunds. Student Tuition Recovery Fund: claims.~~

Existing law, the California Private Postsecondary Education Act of 2009, which is repealed on January 1, 2015, provides, among other things, for student protections and regulatory oversight of private postsecondary institutions in the state. The act is enforced by the Bureau for Private Postsecondary Education in the Department of Consumer Affairs. The act requires the bureau to adopt regulations governing the administration and maintenance of the Student Tuition Recovery Fund, including requirements relating to assessments on students and student claims against the Student Tuition Recovery Fund, a continuously appropriated fund.

This bill would provide that a student who utilizes a Cal Grant or a Pell Grant to pay tuition at a qualifying institution is not thereby made ineligible to apply for payment from the Student Tuition Recovery Fund.

This bill would become operative only if an act that becomes operative on or before January 1, 2015, delays or eliminates the January 1, 2015, repeal date of the California Private Postsecondary Education Act of 2009.

~~The California Private Postsecondary Education Act of 2009 requires, among other things, institutions that do not participate in the federal student financial aid programs to comply with specified requirements, including to refund to a student 100% of the amount paid for institutional charges, less a reasonable deposit or application fee, as specified, if notice of cancellation is made through attendance at the first class session, or the 7th class day after enrollment, whichever is later.~~

~~This bill would make a nonsubstantive change to the above provisions relating to refunds by institutions not participating in federal student financial aid programs.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 94923 of the Education Code is amended*
2 *to read:*

3 94923. (a) The bureau shall, by January 1, 2011, adopt by
4 regulation procedures governing the administration and
5 maintenance of the Student Tuition Recovery Fund, including
6 requirements relating to assessments on students and student claims
7 against the Student Tuition Recovery Fund.

8 (b) *A student who utilizes a Cal Grant, Pell Grant, or both, to*
9 *pay tuition at a qualifying institution is not thereby made ineligible*
10 *to apply for payment from the Student Tuition Recovery Fund.*

11 *SEC. 2. This act shall become operative only if an act that*
12 *becomes operative on or before January 1, 2015, amends or*
13 *repeals Section 94950 of the Education Code to delay or eliminate*
14 *the January 1, 2015, repeal date of the California Private*
15 *Postsecondary Education Act of 2009 (Chapter 8 (commencing*
16 *with Section 94800) of Part 59 of Division 10 of Title 3 of the*
17 *Education Code).*

18 ~~SECTION 1. Section 94920 of the Education Code is amended~~
19 ~~to read:~~

20 ~~94920. An institution that does not participate in the federal~~
21 ~~student financial aid programs shall do all of the following:~~

22 ~~(a) The institution shall advise each student that a notice of~~
23 ~~cancellation shall be in writing, and that a withdrawal may be~~
24 ~~effectuated by the student's written notice or by the student's~~

1 conduct, including, but not necessarily limited to, a student's lack
2 of attendance.

3 ~~(b) Institutions shall refund 100 percent of the amount paid for~~
4 ~~institutional charges, less a reasonable deposit or application fee~~
5 ~~not to exceed two hundred fifty dollars (\$250), if notice of~~
6 ~~cancellation is provided through attendance at the first class~~
7 ~~session, or the seventh day after enrollment, whichever is later.~~

8 ~~(c) The bureau may adopt by regulation a different method of~~
9 ~~calculation for instruction delivered by other means, including,~~
10 ~~but not necessarily limited to, distance education.~~

11 ~~(d) The institution shall have a refund policy for the return of~~
12 ~~unearned institutional charges if the student cancels an enrollment~~
13 ~~agreement or withdraws during a period of attendance. The refund~~
14 ~~policy for students who have completed 60 percent or less of the~~
15 ~~period of attendance shall be a pro rata refund.~~

16 ~~(e) The institution shall pay or credit refunds within 45 days of~~
17 ~~a student's cancellation or withdrawal.~~